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TO: Nursing Homes **NH 10**

FROM: Sinikka Santala, Division Administrator, Division of Disability and Elder Services (DDES)

Mark Moody, Division Administrator, Division of Health Care Financing (DHCF)

Medicaid Eligibility for Nursing Home Care Determination

Purpose of Memo: The purpose of this memo is to advise nursing homes of an important change in how Wisconsin Medicaid Program eligible residents will be determined entitled to nursing home care. This change is effective July 1, 2006. Beginning July 1, 2006, nursing home residents will no longer be assigned a specific nursing home Level of Care by Bureau of Quality Assurance (BQA) nurses. For Title 19 Medicaid residents, an MDS based automated algorithm will determine whether or not a resident meets statutory eligibility requirements for nursing home care. The MDS algorithm determination, either eligible or not eligible, will be reported to the nursing home. Unlike the past BQA Level of Care determination process, the new automated system will not be used to determine a resident specific facility Medicaid payment.

This BQA Numbered Memo is an overall description of the impending changes to the Medicaid eligibility for nursing home care determination process. DHCF will provide Medicaid operations information in a Medicaid Update release later this summer. In addition, a forthcoming BQA Numbered Memo will address the process to follow regarding documentation necessary for compliance with the statutory minimum staffing requirements according to Levels of Care.

For the most part, nursing homes will experience very little change in the request for determination processing steps. Most of the processing steps changes will occur within DHFS and EDS. Actually, nursing homes will be relieved of significant paperwork burden as facilities will no longer be required to submit Level of Care supporting documentation with most of their eligibility for nursing home care determination requests.

Background Information: By statute, nursing home residents enrolled in the Medicaid program must meet certain nursing home care eligibility requirements. Historically, BQA has established and annually verified a specific nursing home Level of Care for each Medicaid

resident. This information has been conveyed to the Medicaid fiscal agent, EDS, for payment purposes. Every nursing home has had a separate payment rate for each nursing home care level. Nursing homes billed EDS according to the individual resident's assigned BQA Level of Care each month to receive payment.

The Department of Health and Family Services (DHFS) is replacing the BQA nurse determined Level of Care system with a more consistent and efficient system developed by Ann Pooler, RN, PhD, and Marianne Missfeldt, RN, former lead BQA nursing home Level of Care trainer. This new system is an MDS based automated method which will be used to verify eligibility for nursing home care effective July 1, 2006, *on a go forward basis*. (Note: Separate correspondence from DHCF will also notify facilities of the upcoming changes to the Medicaid payment system based on a RUGS MDS system.)

Determinations for Existing Residents on June 30, 2006: For nursing home residents with a BQA nurse determined Level of Care for days of care provided on or before June 30, 2006, the Level of Care will be considered verification that the resident remains eligible for Medicaid funded nursing home care *until the resident's next full MDS is completed*. At that time, the resident's continued eligibility for nursing home care will be determined by the MDS based computer algorithm. Therefore, over the course of the following 12 months, all existing Medicaid residents in the facility on June 30, 2006 will have had their continued eligibility for nursing home care determined by the algorithm.

Determinations for New Medicaid Residents and Any Subsequent Full Assessment for Existing Medicaid Residents Including Change of Condition Beginning July 1, 2006:

- For residents who become new Medicaid beneficiaries on or after July 1, 2006, nursing homes will continue to contact their BQA Regional Office to request a determination for nursing home eligibility using the current form, DDE-2256. For residents with a MDS in the system or for whom a MDS will be coming into the system, only the request form is required. Supporting documentation will no longer be required. BQA will convey the necessary request information to EDS. EDS will run the MDS algorithm for each request to verify the resident meets Medicaid eligibility for nursing home care statutory requirements. EDS will notify the nursing home of the resident's eligibility for nursing home care determination. (This process will be in effect from July 1 through September 30, 2006. Beginning October 1, 2006, nursing homes will submit requests directly to EDS using an EDS form that will replace the DHFS form DDE-2256.) EDS will notify the facility of the residents determined eligible in its monthly Nursing Home Authorization Report, #HMKR449Q, as is the current practice.
- EDS will automatically run the MDS algorithm for existing Medicaid residents with a MDS in the system who require a new full MDS, including those who experience a significant Change of Condition per current RAI requirements (TL). The algorithm will determine if the resident continues to meet Medicaid statutory requirements for nursing home care. EDS will notify the facility of the residents determined to continue to be eligible in its monthly Nursing Home Authorization Report, #HMKR449Q, as is the current practice.

“Not Eligible for Nursing Home Care” Denial Review: If the MDS algorithm run by EDS results in a “not eligible for nursing home care” determination for a resident, the determination will be immediately referred to an EDS nurse for review. The EDS review nurse will consult with the facility’s MDS Coordinator to assure all needed information has been submitted and the MDS data has been entered correctly; and to determine if the resident’s current condition is accurately represented on the most recent full MDS assessment. The nursing home will have the opportunity to submit additional documentation that the resident’s current condition meets Medicaid requirements for nursing home care eligibility. If the EDS nurse confirms the resident is not eligible for nursing home care, a BQA nurse will conduct a final review of the denial. If the BQA nurse also determines that the resident does not meet eligibility requirements for nursing home care, EDS will immediately notify the resident and facility of the final denial determination by letter in the US Mail.

When the final determination is not eligible, the denied resident may choose to exercise his/her appeal rights under state law. Denied residents will be notified of their appeal rights. Current Medicaid residents who are denied continued eligibility for nursing home care and file an appeal of the denial will continue to be funded by the Medicaid program during the appeal process.

Also, when the “not eligible” determination is final, BQA will notify the DDES/Bureau of Long Term Support. Bureau staff will notify and work with the denied resident’s county Human Services Department to assist the resident with relocation.

No MDS Due to Short Stay: The eligibility for nursing home care determination algorithm requires a full MDS, which may not be available for certain residents due to short stay. In such instances, the Medicaid eligibility for nursing home care determination will be made by the EDS review nurse based upon supporting documentation submitted by the facility. The types of supporting documents submitted will follow current practices and could include additional document types depending on the information needed by the EDS review nurse. Between July 1, 2006 and September 30, 2006, facilities will continue to send this supporting documentation to their BQA regional office when making the determination request, as is the current practice. Supporting documentation will be submitted directly to EDS beginning October 1, 2006, as these processing tasks transition to EDS. DHFS and EDS will notify facilities in advance as forms and procedures for this purpose change.

Determination Request Processing Transitions July 1, 2006-December 31, 2006:

- On July 1, 2006, facilities will continue to send eligibility for nursing home care determination requests to their BQA Regional Office using DHFS form DDE-2256.
- On October 1, 2006, facilities will send eligibility for nursing home care determination requests directly to EDS using a new EDS form that is being developed to replace DHFS form DDE-2256. DHFS and EDS will notify facilities of processing change details before October 1, 2006. BQA Regional Offices will provide processing transition assistance to facilities until December 31, 2006.

- By December 31, 2006, the transition to EDS processing will be complete. Nursing homes will no longer be assisted by their BQA Regional Office in processing determination requests.
- Over the course of 2007, EDS will develop an automated portal for communicating with nursing homes, including the electronic submission of requests for determination of eligibility for nursing home care.

Web Cast Information: On June 5, 2006, DHFS sponsored an informational web cast titled “Nursing Home Level of Care Briefing”. The web cast, with instructions for accessing handouts, the Power Point presentation, and the Q&As is available for viewing at:

<http://media1.wi.gov/DHFS/Viewer/Viewer.aspx?layoutPrefix=LayoutTopLeft&layoutOffset=Skins/Clean&width=800&height=631&peid=2559af18-cfd8-4b68-91d7-2a918a5bb09e&pid=362de0cf-f7ce-4b88-8ecd-ed7e71d3c6fa&pvid=501&mode=Default&shouldResize=false&playerType=WM7>

Contact Person for Policy and Program Information: Sue Schroeder, DHFS Nursing Home Policy Advisor, 608-266-6989.

Contact for Assistance with Medicaid Claims: EDS Provider Services, 800-947-9627; or, 608-221-9883.